

Statement of Senator Mary Landrieu of Louisiana on Frozen Warmwater Shrimp From China, Ecuador, India, Indonesia, Malaysia, Thailand, and Vietnam

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Chairman Williamson, ITC Commissioners, thank you for the opportunity to submit testimony for this very important hearing. On behalf of the hard-working shrimp processors in the state of Louisiana and the entire U.S. shrimp industry, I strongly support their efforts to obtain relief from massively subsidized shrimp imports through the imposition of countervailing duties on frozen warmwater shrimp from China, Ecuador, India, Indonesia, Malaysia, Thailand, and Vietnam. Acting now to counter these harmful foreign subsidies is critical to support a beloved American industry that is threatened by unfair trading practices and to restore a level playing field.

Before I detail more specifically the threats facing our shrimp industry from unfair competition abroad, I'd first like to talk a bit about what is at stake at home in Louisiana. Shrimping in the Gulf and South Atlantic states has been a time-honored way of life dating back to our earliest settlers uncovering the great bounty our seaboard has to offer. Since the seventeenth century, sunrise has been synonymous with teams of fathers and sons, brothers and sisters, and grandchildren and grandparents trawling, processing, and distributing shrimp on boats, docks, and processing plants along our coastline. In fact, 69% of the shrimp harvested in the United States are from the Gulf waters. Our shrimp enjoys a rich tradition of being unrivaled in both taste and quality anywhere in the world.

In my home state of Louisiana alone, the shrimp industry accounts for 14,384 jobs and an annual economic impact of \$1.3 billion dollars. Every year, Louisiana shrimpers catch 90 to 120 million pounds of shrimp. That is a whole lot of shrimp, and it supplies thousands of American family-owned and operated companies and millions of American kitchens. If we don't stop unfair import competition, we will end up driving hard-working entrepreneurs out of this business and depriving one of America's cherished cultures of an industry that has flourished for generations.

In recent years, the Gulf and South Atlantic states have endured an onslaught of unfortunate events. In each instance, our shrimp industry has displayed unequalled levels of courage and determination not only to cope, but to persevere. From natural disasters like Hurricane Katrina and Hurricane Ike to man-made disasters like the BP Gulf oil spill and the Great Recession, I think that it is fair to say that enough is enough for one industry in one decade. As Chairwoman of the U.S. Senate Committee on Small Business and Entrepreneurship, I know first-hand the

significant amounts of private-sector energy and hard work that have been expended in an effort to recover from these events.

While we may have no control over disasters of the natural variety, what we are faced with today is a disaster of the man-made variety. Perhaps the gravest danger to date, massive government subsidies from China, Ecuador, India, Indonesia, Malaysia, Thailand, and Vietnam, threaten to deal a death-blow to the Gulf shrimp industry. Today, we have the opportunity to throw a life jacket to our American shrimp industry which may otherwise drown. To impose countervailing duties on these seven countries' shrimp imports is to level the playing field, to support free and fair market conditions, and to provide the U.S. shrimp industry with a chance to once again flourish.

Together, China, Ecuador, India, Indonesia, Malaysia, Thailand, and Vietnam exported over 883 million pounds of shrimp to the U.S. in 2012 worth nearly \$3.6 billion dollars. Moreover, these countries account for 89% of U.S. shrimp imports and over three-quarters of the domestic market, overall. Meanwhile, U.S. shrimp producers are struggling to survive this flood of artificially low-priced imported shrimp.

Shrimp is a primary export commodity in each of these seven countries, often ranking among the top ten for export revenue earned. To that end, these foreign governments are spending billions of dollars on subsidies to meet their specific growth and export targets, with devastating effects on our domestic industry here in the U.S. These subsidy programs encompass a breadth of illegal trade practices ranging from large government grants, to loans far below standard market rates, to debt forgiveness, to substantial tax breaks, to cheap land, to countless export subsidies.

Subsidized producers in China, Ecuador, India, Indonesia, Malaysia, Thailand, and Vietnam have gained and maintained U.S. market share by aggressively undercutting domestic prices here in the U.S. This anti-competitive behavior has suppressed the prices that American producers are able to obtain for their product, making it increasingly difficult for our processors to cover their costs and successfully operate their businesses. Not only do these massive subsidies cripple sales and kill jobs in the U.S. shrimp industry, but they also run directly contrary to U.S. law, as well as WTO commitments.

As long as the Thai government is permitted to cut taxes for shrimp producers that export their shrimp, the U.S. shrimp industry will be unfairly disadvantaged. As long as the Indian government is permitted to subsidize ocean freight costs for shrimp exporters, with an extra subsidy for shipments to America, the U.S. shrimp industry will be unfairly disadvantaged. As long as the Chinese government is permitted to give cheap credit to its shrimp producers, the U.S. shrimp industry will be unfairly disadvantaged. We need effective orders that compensate

for these competitive disadvantages and provide the U.S. shrimp industry with a tangible chance for survival.

In closing, I very much appreciate the role the Commission has played in ensuring that U.S. companies and workers are treated fairly when facing illegal trade practices. I am confident that upon review of the record, the Commission will come to the right conclusion. Imposition of countervailing duties on frozen warmwater shrimp from China, Ecuador, India, Indonesia, Malaysia, Thailand, and Vietnam is warranted and appropriate. We must make a commitment to our shrimp industry in Louisiana and all of the Gulf and South Atlantic States to ensure that we do not lose this unique and important industry to unfair trade tactics from abroad.

Thank you again for the opportunity to submit testimony to the Commission on this very important issue.